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Engineer Held Plot to Sell 'Stealth' Data

By WILLIAM OVEREND,
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A Northrop Corp. aerospace engineer, reportedly after "big money," was arrested by the FBI on Tuesday for allegedly trying to sell secrets about the U.S. "stealth" bomber program to the Soviet Union.

Thomas Patrick Cavanagh, 40, of Downey was arrested just after noon at the Hyatt Hotel in the City of Commerce by FBI undercover agents who posed as Soviet spies. He went to the meeting armed with a .45-caliber semiautomatic pistol and documents, expecting to be paid \$25,000 for his espionage activities, according to an FBI affidavit.

Cavanagh, who had an application pending for a top secret clearance, was charged with the removal of highly sensitive material from his employer, the Advanced Systems Division of Northrop Corp. in Pico Rivera.

Financial Problems

The Northrop engineer, who could face a possible life prison term if convicted on espionage charges, was portrayed by FBI officials as a man who was recently divorced and troubled financially, but who also spoke of long-range plans of making much larger sums of money selling secrets to the Russians.

Cavanagh, tall and well-groomed, kept his face in his hands as he appeared Tuesday afternoon before U.S. Magistrate Joseph Reichmann in Los Angeles.

He was ordered held without bail at Terminal Island Prison pending a pre-arraignment hearing Jan. 7. Chief Assistant U.S. Atty. Richard E. Drooyan said a grand jury indictment of Cavanagh on espionage charges will be sought before that date.

Details of the undercover FBI investigation that led to his arrest were revealed in an FBI affidavit signed by FBI agent Robert Patton.

FBI officials said the probe of Cavanagh began in early December

after he had contacted Soviet officials in San Francisco and Washington, offering to turn over documents on the the stealth bomber program, which he claimed could save the Soviet Union "billions of dollars."

While the FBI would not reveal how it learned of Cavanagh's contact with the Soviets, government sources indicated that telephone taps may have been used.

According to Patton, FBI agents posing as Soviet officials met with Cavanagh twice before his arrest on Tuesday. He allegedly told them in taped meetings that he needed money to clear up a bad credit record so that he could gain a top secret clearance that would enable him to provide the Soviet Union with even more valuable information.

"I'm after big money, \$25,000 is a drop in the bucket, believe me," he reportedly told FBI undercover agents David A. Silva and Daniel P. McLaughlin at a Dec. 12 meeting at the Lucky Lodge Motel in Bellflower.

At that meeting he turned over the first documents to the agents, saying he would have more as soon as they could pay him the \$25,000. The money was given to Cavanagh on Tuesday before his arrest, the FBI said.

FBI Director William Webster, who announced the arrest in Washington, said Cavanagh allegedly sought \$25,000 from the Soviets in exchange for "technology that cost the United States billions of dollars to develop and produce."

During his two previous meetings with the bogus Russian spies, the engineer identified himself as Peters and told the FBI agents that he needed money, the affidavit said.

He told the FBI agents he would never get a top secret clearance unless he got \$25,000 to "get the creditors off my back," the affidavit said.

"You have to understand my position," he was quoted as saying in a recorded conversation. "I feel like I can bring more documents out. I gotta have money, OK?"

Justice Department sources said the project involved the stealth bomber, which is being designed to penetrate enemy territory without being detected by radar.

Webster said Cavanagh, who worked for Hughes Aircraft from 1969 to 1981, allegedly removed classified technical manuals, blueprints, drawings and a list of subcontractors from Northrop in an effort to transmit the material.

He said disclosure of the documents would have caused irreparable damage to national security.

Webster noted that the arrest is the latest in a series of espionage arrests this fall.

"We have more people charged with espionage right now than ever before in our history," he said.

A former U.S. Army intelligence operative, Richard Craig Smith, was accused of selling information about a top secret double agent operation to the Soviets.

Also arrested this year was Samuel Loring Morison, a civil intelligence analyst for the U.S. Navy, and grandson of America's foremost naval historian, for selling classified material to a British publication.

An East German woman, Alice Michelson, was arrested in a separate case at the same time on charges of trying to smuggle classified material out of the United States in a specially designed cigarette case.

For the first time in the FBI's history, an agent, Richard Miller, was arrested in Los Angeles on charges of attempting to sell material to a female Soviet agent with whom he became personally involved.

Times Staff Writer Ronald Ostrow in the Washington Bureau contributed to this story.



Associated Press

FBI agent Richard Bretzing as he discussed arrest of man accused of trying to sell secrets to Soviets.